

SO ORDERED.



1 DECONCINI MCDONALD YETWIN & LACY, P.C.

Dated: July 26, 2010

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A handwritten signature in black ink, appearing to read "Charles G. Case, II", is written over a horizontal line.

CHARLES G. CASE, II  
U.S. Bankruptcy Judge

9 IN THE UNITED STATES BANKRUPTCY COURT

10 FOR THE DISTRICT OF ARIZONA

11 IN RE:

12 LEON JAY KLEIN &  
13 STACY ELLEN KLEIN

14 DEBTOR

IN PROCEEDINGS UNDER CHAPTER 11

CASE NO. 2:09-BK-30142-CGC

ORDER CONFIRMING CHAPTER 11 PLAN

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16  
17 The Plan of Reorganization proposed by Debtors, Leon and Stacy Klein, filed  
18 with the Court (the "Plan") having been duly transmitted to creditors and parties in  
19 interest together with a copy of the Disclosure Statement approved by Order of the  
20 Court dated and it having been determined after hearing on notice that:

21 1. All applicable provisions of the Bankruptcy Code have been complied  
22 with; the Plan has been proposed by Debtors in good faith and not by any means  
23 forbidden by law; and

24 2. Each holder of a claim or interest will receive or retain under the Plan  
25 property of a value, as of the effective date of the Plan, that is not less than the  
26

1 amount that such holder would receive or retain if the Debtor liquidated under  
2 Chapter 7 of the Bankruptcy Code on such date; and

3 3. The Plan has been accepted in writing by Classes of creditors or equity  
4 security holders whose acceptance is required by law or the Plan does not  
5 discriminate unfairly and is fair and equitable, with respect to each Class of claims  
6 or interest that is impaired under, and has not accepted the Plan; and

7 4. All payments made or promised by the Debtors or by any other  
8 person for costs and expenses in, or in connection with, the Plan and incidental to  
9 the case, have been fully disclosed to the Court and are reasonable or, if to be fixed  
10 after confirmation of the Plan, will be subject to the approval of the Court;

11 5. The Debtors will pay all post petition state and federal income taxes  
12 and County Property taxes in full as they become due.

13 6. The identity of any insider, if any, that will be employed or retained by  
14 the Debtor and their compensation has been fully disclosed; and

15 7. Confirmation of the Plan is not likely to be followed by the liquidation,  
16 or the need for further financial reorganization of Debtors under the Plan; and

17 8. At least one Class of claims has accepted the Plan, determined without  
18 including any acceptance of the Plan by any insider holding a claim of such Class;  
19 and

20 9. Completion of the plan and the entry of the Discharge shall discharge  
21 Debtors from those debts which are dischargeable, pursuant to 11 U.S.C §523 and  
22 1141(d)(2). No post-Petition taxes shall be subject to discharge.

23 10. Any proceedings to avoid transfers shall be brought within 2 years  
24 from the filing date.

25 11. Notwithstanding the provisions of the Amended Plan, Chase Home  
26 Finance shall be treated as follows:

1        Class 5: Chase Home Finance ("Chase") holds a first mortgage on a  
2 condominium located at 5345 E. Van Buren, Phoenix, AZ. This property is the not  
3 the Debtors primary residence and is a rental property currently occupied by the  
4 Debtors' son. The amount due Chase is approximately \$107,000.00 and the Debtors  
5 believe the property has a fair market value of \$50,000.00. Debtors will bifurcate  
6 Chase's claim into secured and unsecured portions. The secured portion of the  
7 claim shall be paid at 5% interest with a 40 year amortization schedule. The balance  
8 of the amount due Chase (approximately \$57,000.00) will be treated as a General  
9 Unsecured Claim under Class 9 of the Plan. Monthly payments on the secured  
10 portion of the claim will be \$241.10. In addition, Debtors will pay to Chase  
11 impounds on a monthly basis for taxes and insurance.

12        12. Notwithstanding the provisions of the Amended Plan, the Arizona  
13 Department of Revenue shall be treated as follows:

14        Class 2: Priority Claims: The Department of Revenue shall receive on  
15 account of its Priority Claim the sum of \$25,000 to be paid as follows: 1) The  
16 \$25,000 is paid with four percent interest in equal monthly payments amortized  
17 over the number of months remaining until November 2014; 2) The Debtors ensure  
18 that their business stays current on taxes during the payment term; 3) If the  
19 Debtors fail to complete the \$25,000 payment and the Department of Revenue has  
20 to litigate the validity of the debt and the assessment of the liability as to Debtors  
21 individually, the Department may seek the entire original balance due with credit  
22 for payments made; and 4) The Debtors immediately pay the Administrative Claim  
23 due the Department. 5) All Plan payments to the Department shall be mailed to:  
24 Denise Ann Faulk Bankruptcy & Collection Enforcement Section Finance Division  
25 Arizona Attorney General's Office 1275 W. Washington Phoenix, Arizona 85007  
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1           13.     Notwithstanding the terms of the Amended Plan, Wells Fargo Bank  
2 shall be treated as follows:

3                 Class 6: Wells Fargo Home Mortgage: ("Wells Fargo") holds a first  
4 mortgage on a condominium located at 6900 E. Princess Dr., Phoenix, AZ. This  
5 property is currently leased. The amount due Wells Fargo is approximately  
6 \$120,000.00 and the Debtors believe the property has a fair market value of  
7 \$67,500.00. Debtors will bifurcate Wells Fargo's claim into secured and unsecured  
8 portions. The secured portion of the claim shall be paid at 5% interest with a 30  
9 year amortization schedule. The balance of the amount due Wells Fargo  
10 (approximately \$52,500.00) will be treated as a General Unsecured Claim under  
11 Class 9 of the Plan. Monthly payments on the secured portion of the claim will be  
12 \$362.35. Wells will establish an impound account for the collection of taxes and  
13 insurance on the property. Wells Fargo is impaired.

14                 IT IS THEREFORE BY THE COURT CONSIDERED, ORDERED, ADJUDGED, AND  
15 DECREED that the Plan of Reorganization, copies of which are attached hereto, be  
16 and hereby is confirmed.

17                 IT IS FURTHER BY THE COURT CONSIDERED, ORDERED, ADJUDGED, AND  
18 DECREED that except as otherwise provided in §1141 of the Bankruptcy Code or in  
19 the Plan, this Order of Confirmation of Plan discharges the Debtor from any debt  
20 that arose before the date of such confirmation and any debt of a kind specified in  
21 11 U.S.C. §502(g), §502(h) or §502(i).

22                 IT IS FURTHER BY THE COURT CONSIDERED, ORDERED, ADJUDGED AND  
23 DECREED that pursuant to 11 U.S.C. §524, the discharge affected by the Order of  
24 Confirmation:

25                     A.     Voids any judgment at any time obtained, to the extent that  
26 such judgment is a determination of the personal liability of the Debtor with respect

1 to any debt to be discharged under §1141, whether or not discharge or such debt is  
2 waived; and

3 B. Operates as an injunction against the commencement or  
4 continuation of any action, the employment of process, or an act, to collect, recover  
5 or offset any such debt as a personal liability of the Debtor, whether or not  
6 discharge of such debt is waived.

7 C. No non-debtor shall receive a discharge as a result of this  
8 Order.

9  
10 DATED AND SIGNED ABOVE

11  
12 APPROVED:

13  
14  
15 /s/Lawrence D. Hirsch

16 Lawrence D. Hirsch  
17 Attorney for Debtor

18 /s/Jason Sherman

19 Jason Sherman  
20 Attorney for Chase

21  
22 /s/Leonard McDonald

23 Leonard McDonald  
24 Attorney for Wells Fargo  
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